

CITY COUNCIL AGENDA

MAY 24, 2005

SYNOPSIS

LINDA J. LE ZOTTE
FORREST WILLIAMS
CINDY CHAVEZ, VICE MAYOR
CHUCK REED
NORA CAMPOS

DISTRICT 1
DISTRICT 2
DISTRICT 3
DISTRICT 4
DISTRICT 5

RON GONZALES MAYOR

KEN YEAGER
VACANT
DAVID D. CORTESE
JUDY CHIRCO
NANCY PYLE

DISTRICT 6
DISTRICT 7
DISTRICT 8
DISTRICT 9
DISTRICT 10

Welcome to the San José City Council meeting!

This Agenda contains both a Consent Calendar section for routine business items that require Council approval, and general business items arranged to correspond with San José's City Service Areas (CSAs). City Service Areas represent the policy-making level for strategic planning, policy setting, and investment decisions in the critical functions the City provides to the community. They are:

- ***Strategic Support Services*** — The internal functions that enable the CSAs to provide direct services to the community in an effective and efficient manner.
- ***Economic and Neighborhood Development*** — Manage the growth and change of the community in order to create and preserve healthy neighborhoods and ensure a diverse range of employment and housing opportunities.
- ***Recreation and Cultural Services*** — Serve, foster, and strengthen community by providing access to lifelong learning and opportunities to enjoy life.
- ***Transportation Services*** — A safe and efficient transportation system that contributes to the livability and economic health of the City.
- ***Environment and Utility Services*** — Manage environmental services and utility systems to ensure a sustainable environment for the community.
- ***Aviation Services*** — Provide for the air transportation needs of the community and the region at levels that are acceptable to the community.
- ***Public Safety Services*** — Commitment to excellence in public safety by investing in neighborhood partnerships as well as prevention, enforcement, and emergency preparedness services.

Items listed in Section 10 require approval of both the City Council and the San José Redevelopment Agency Board.

You may speak to the City Council about any item that is on the agenda, and you may also speak on items that are not on the agenda during Open Forum. If you wish to speak to the City Council, please refer to the following guidelines:

1. **Fill out a Yellow Speaker's Card and submit it to the City Clerk seated at the front table. Do this before the meeting or before the item is heard.** This will ensure that your name is called for the item/s that you wish to address, and it will help ensure the meeting runs smoothly for all participants.
2. When the Council reaches your item on the agenda, Mayor Ron Gonzales will open the public hearing and call your name. Please address the Council from the podium, which is located to the left of the City Clerk's table.
3. Each speaker generally has two minutes to speak per item. The amount of time allotted to speakers may vary at the Mayor's discretion, depending on the number of speakers or the length of the agenda.
4. To assist you in tracking your speaking time, there are three lights located to the far right of the podium. The green light turns on when you begin speaking; the yellow light turns on when you have 30 seconds left; and the red light turns on when your speaking time is up.

Please be advised that, by law, the City Council is unable to discuss or take action on issues presented during Open Forum. According to State Law (the Brown Act) items must first be noticed on the agenda before any discussion or action.

The San José City Council meets every Tuesday at 1:30 p.m. and every first and third Tuesday at 7 p.m., unless otherwise noted. If you have any questions, please direct them to the City Clerk's staff seated at the tables just below the dais. Thank you for taking the time to attend today's meeting. We look forward to seeing you at future meetings.

Agendas and Staff Reports for City Council items may be viewed on the Internet at www.sanjoseca.gov/clerk/agenda.htm

To arrange an accommodation under the Americans with Disabilities Act to participate in this public meeting, please call 1 (408) 277-4424 or 1 (408) 998-5299 (TTY) at least two business days before the meeting.

On occasion the City Council may consider agenda items out of order.

- **Call to Order and Roll Call**
9:35 a.m. - Closed Session, Room 600, City Hall
Absent – Council Members: Gonzales.

1:38 p.m. - Regular Session, Council Chambers, City Hall
Absent – Council Members: Gonzales.
- **Invocation (District 5)**
Vanessa Farfan, a student from Mount Pleasant High School and member of the Mount Pleasant literary society presented a poem titled, “Teachers”.
- **Pledge of Allegiance**
Third Graders from Guadalupe School (District 10) led the Pledge of Allegiance.
- **Orders of the Day**
The Orders of the Day and the Amended Agenda were approved.

1 CEREMONIAL ITEMS

- 1.1 Presentation of a plaque for the Construction & Demolition Diversion Deposit Program. (Environmental Services)
Vice Mayor Chavez was joined by Council Member LeZotte to present a plaque to Environmental Services Department for their work with the Construction and Demolition Diversion Deposit Program.
- 1.2 Presentation of a proclamation for the “Award of Excellence for Facility Design.” (Parks, Recreation and Neighborhood Services)
Dropped.

1 CEREMONIAL ITEMS

- 1.3 Presentation of a commendation to the Fire Station No. 6 personnel who responded to the recent fire at the Glen Willow Apartments in Willow Glen. (Yeager)
(Rules-in-Lieu referral 5/18/05)
Vice Mayor Chavez and Council Member Yeager presented a commendation to Fire Chief Jeff Clet and firefighters from Station 6 for responding to a recent fire at Willow Glen Apartments.
- 1.4 Presentation of a commendation to the St. Nicholas Greek Orthodox Church on the occasion of the 34th annual San José Greek Festival from June 3-5, 2005. (Yeager)
(Rules-in-Lieu referral 5/18/05)
Council Member Yeager and Vice Mayor Chavez presented a commendation to Achilles Ferris from the St. Nicholas Greek Orthodox Church on the occasion of the 34th Annual San José Greek Festival.
- 1.5 Presentation of a commendation to San José Medical Coalition for its exemplary dedication and invaluable contribution to the San José community. (Mayor/Chavez)
(Deferred from 5/3/05 – Item 1.9 and 5/17/05 – Item 1.1)
Deferred to 6/7/05.

2 CONSENT CALENDAR

- 2.1 **Approval of Minutes.**
None.
- 2.2 **Final adoption of ordinances.**

Recommendation: Final adoption of ordinances:

- (a) ORD. NO. 27436 – Amends Sections 3.28.200 and 3.28.340 of Chapter 3.28 of Title 3 of the San José Municipal Code to simplify the system of reserves in the Federated City Employees Retirement Fund.

Deferred to 6/7/05.

- (b) ORD. NO. 27437 – Amends Section 4.46.039.8 of Chapter 4.46 of Title 4 of the San José Municipal Code to extend the period of suspension of collection of the building and structure construction tax for the construction of special industrial use tenant improvements.

Ordinance No. 27437 adopted.

2 CONSENT CALENDAR

2.2 Final adoption of ordinances. (Cont'd.)

Recommendation: Final adoption of ordinances:

- (c) ORD. NO. 27438- Amends Section 4.46.039.9 of Chapter 4.46 of Title 4 of the San José Municipal Code to extend the period of suspension of collection of the building and structure construction tax for the construction of office use tenant improvements in the Downtown Core.
Ordinance No. 27438 adopted.
- (d) ORD. NO. 27440 – Amends Section 20.100.140 of Chapter 20.100 of Title 20 of the San José Municipal Code to allow subdivisions to be approved with other development permits and approvals as a part of a unified process.
Ordinance No. 27440 adopted.
- (e) ORD. NO. 27441 – Amends Sections of and adding a Section to Chapter 20.70 of Title 20 of the San José Municipal Code, the Downtown Zoning Regulations, to allow live/work units as a permitted use in the Downtown Core, to modify the Downtown Off-Street loading requirements, and to amend the boundaries of the Downtown Ground Floor Space Overlay Area; and amends Section 20.80.1420 of Chapter 20.80 of Title 20 of the San José Municipal Code to streamline the permitting process for temporary outdoor events in the Downtown Core.
Ordinance No. 27441 adopted.
- (f) ORD. NO. 27442 – Prezones certain real property situated on the Northwest Corner of Wilbur Avenue and Nancy Lane (2875 Wilbur Avenue) to R-1-8 Residential Zoning District. C05-023
Ordinance No. 27442 adopted.
- (g) ORD. NO. 27443 – Prezones certain real property situated on the west side of Toyon Avenue, approximately 370 feet south of Selby Lane to R-1-8 Residential Zoning District. C05-024
Ordinance No. 27443 adopted.
- (h) ORD. NO. 27444 – Rezones certain real property situated on the west side of Revey Avenue, approximately 100 feet northerly of Bailey Avenue to A(PD) Planned Development Zoning District. PDC04-103
Ordinance No. 27444 adopted.
- (i) ORD. NO. 27445 – Rezones certain real property situated on the south side of Bacchus Drive, approximately 150 feet easterly of McLaughlin Avenue (1166 Bacchus Drive) from R-1-8 (PD) Planned Development Zoning District to R-1-8 Residence Zoning District. C05-021
Ordinance No. 27445 adopted.

2 CONSENT CALENDAR

2.2 Final adoption of ordinances. (Cont'd.)

Recommendation: Final adoption of ordinances:

- (j) ORD. NO. 27446 – Ratifying the adoption of rezoning Ordinance 27098 by City Council on March 30, 2004, rezoning certain real property situated on the north side of Blossom Hill Road, opposite the terminus of Croydon Avenue, to A(PD) Planned Development Zoning District, effective March 30, 2004.

Ordinance No. 27446 adopted.

2.3 Approval of ordinance and adoption of related resolution transferring purchasing authority to the Director of Finance.

Recommendation:

- (a) Approval of an ordinance amending Chapters 2.05, 4.06, 4.12, 4.13, and 4.16 the San José Municipal Code to transfer purchasing responsibilities from the Director of General Services to the Director of Finance.

Ordinance No. 27447 adopted.

- (b) Adoption of a resolution amending prior Council resolutions to transfer authority delegated to the Director of General Services to the Director of Finance.

CEQA: Not a Project. (City Attorney's Office)

Resolution No. 72682 adopted.

2.4 Approval of an agreement for the South Bay Marsh Assessment Studies.

Recommendation:

- (a) Approval of an agreement with H.T. Harvey and Associates, for South Bay marsh assessment studies, in the amount of \$343,100 and \$45,000 for additional services, for a total amount not to exceed \$388,100, from June 1, 2005 to December 31, 2008.

Approved.

- (b) Adoption of a resolution authorizing the Director of Environmental Services to exercise an option, subject to the appropriation of funds by the City Council, to obtain marsh vegetation mapping services for the years 2006 and 2007, increasing the maximum compensation for basic and additional services by \$130,000 for a total not to exceed contract amount of \$518,100.

CEQA: Exempt, PP05-094. (Environmental Services)

Resolution No. 72683 adopted.

2 CONSENT CALENDAR

2.5 Approval to award a contract for the Fremont Storm Drain Improvement Project.

Recommendation: Report on bids and award of contract for the Fremont Storm Drain Improvement Project to the low bidder, Stoloski & Gonzalez, Inc., in the amount of \$212,625, and approval of a contingency in the amount of \$22,000. CEQA: Exempt, PP05-022. Council District 6. (Public Works)

Approved.

2.6 Approval of an agreement for testing and inspection services for City projects.

Recommendation: Approval of a master agreement with Terrasearch, Inc. for materials testing and special inspection services for various City projects, in an amount not to exceed \$500,000, from the date of execution to June 30, 2007. CEQA: Not a Project. (Public Works)

Approved.

2.7 Approval to award six emergency response vehicles.

Recommendation: Approval to award six Ford F550 Cab and Chassis, utilizing a California State Department of General Service Contract, from Downtown Ford Sales, for a total amount not to exceed \$229,758.03, including tax and freight, and authorization for the Director of Finance to execute the purchase order. CEQA: Not a Project. (Finance/Fire)

(Rules-in-Lieu referral 5/18/05)

Approved.

2.8 Approval of actions related to the Municipal Health Services Program Fund.

Recommendation: Adoption of the following appropriation ordinance and funding source resolution amendments in the Municipal Health Services Program Fund (Fund 132):

- (a) Increase the Medicare-Waiver Reimbursement appropriation (Appn. 0091) by \$1,557,600, from \$4,331,000 to \$5,888,600.
- (b) Increase the appropriation for overhead (Appn. 0539) by \$30,000, from \$25,000 to \$55,000.
- (c) Increase the Earned Revenue estimate by \$1,587,600.

CEQA: Not a Project. (Parks, Recreation and Neighborhood Services/City Manager's Office)

(Rules-in-Lieu referral 5/18/05)

Ordinance No. 27448 adopted.

Resolution No. 72684 adopted.

2 CONSENT CALENDAR

2.9 Approval to submit a grant application for the Mayor's Gang Prevention Task Force.

Recommendation: Adoption of a resolution:

- (a) Authorizing the Director of Parks, Recreation and Neighborhood Services to submit a grant application to the federal Office of Juvenile Justice and Delinquency Prevention (OJJDP), in the amount of \$246,661, to support the efforts of the Mayor's Gang Prevention Task Force.
- (b) Authorizing the City Manager to accept a grant, if awarded, from the OJJDP and to execute a grant agreement and related agreements to accept the grant.
- (c) Authorizing the City Manager to negotiate and execute the grant agreements with the San José B.E.S.T. Eligible Service Providers or qualified consultants, for a total amount not to exceed \$246,661, if awarded funds by OJJDP.

CEQA: Not a Project. (Parks, Recreation and Neighborhood Services)
(Rules-in-Lieu referral 5/18/05)

Resolution No. 72685 adopted.

3 STRATEGIC SUPPORT SERVICES

3.1 Report of the Study Session Mayor Gonzales, Chair No Report.

3.2 Report of the Rules Committee Vice Mayor Chavez, Chair No Report.

3.3 Report of the Making Government Work Better Committee Council Member Reed, Chair No Report.

3.4 Approval of actions related to the issuance of City of San José General Obligation Bonds.

Recommendation: Adoption of a resolution:

- (a) Authorizing the issuance of City of San José General Obligation Bonds, Series 2005 (Libraries and Public Safety Projects) in the not-to-exceed aggregate principal amount and to be sold at a competitive sale.
- (b) Approving, in substantially final form, the Fiscal Agent Agreement, the Notice Inviting Bids, the Preliminary Official Statement and authorizing the City Manager or other authorized officers to execute these documents and other related documents as necessary in connection with the issuance of the Series 2005 Bonds.

CEQA: Not a Project. (Finance)

Deferred to 6/7/05.

3 STRATEGIC SUPPORT SERVICES

3.5 Approval to award a contract to move computers to the New City Hall.

Recommendation: Approval to award a contract for computer disconnect and reconnect services for the move to the New City Hall. CEQA: Resolution No. 68905, PP98-03-072. (General Services/Finance)

Dropped.

4 ECONOMIC & NEIGHBORHOOD DEVELOPMENT

4.1 Report of the Building Strong Neighborhoods Committee Council Member Chirco, Chair No Report.

4.2 Report of the Driving a Strong Economy Committee Council Member Williams, Chair No Report.

4.3 Review and discussion of a future draft ordinance amending Title 20.

Recommendation: Review and discussion of a future draft ordinance amending Title 20, Part 11, 20.80.900 regarding Off-Sale of Alcohol Beverages. (Campos)
(Rules Committee referral 5/11/05)

Deferred to 6/7/05.

4.4 Public Hearing and adoption of a resolution vacating a portion of Serenity Way at Casual Way.

Recommendation: Public hearing and adoption of a resolution vacating a portion of Serenity Way at Casual Way. CEQA: Exempt. Council District 10. (Public Works)

Continued to 6/7/05.

4 ECONOMIC & NEIGHBORHOOD DEVELOPMENT

4.5 Approval of actions related to the Coyote Valley Specific Plan.

Recommendation:

- (a) Approval of the following actions to continue funding for the preparation of the Coyote Valley Specific Plan, and its related environmental documents and regulatory permits:

- (1) Approval of an amended and restated funding agreement with Coyote Housing Group, LLC for the work associated with the preparation of the Coyote Valley Specific Plan, related environmental documents, and regulatory permits for a term from June 24, 2003 to June 30, 2006; and increase the amount of funding to cover staff and consultant cost through March 31, 2006 by approximately \$1,970,000, from the previously approved amount of approximately \$10,900,000 to \$12,800,000.
- (2) Adoption of the following appropriation ordinance and funding sources resolution amendments in the General Fund as follows:
 - (a) Increase the City-Wide appropriation for the Coyote Valley Specific Plan by \$5,637,968; and
 - (b) Increase earned revenue from Other Revenue by \$5,637,968.
- (3) Delegate to the Director of Planning, Building and Code Enforcement the authority to approve minor amendments to the funding agreement to account for increases in funding that may be received from Coyote Housing Group, LLC, and to extend the term of this agreement for up to 18 months.

CEQA: Exempt, PP03-06-211. Council District 2. (Planning, Building and Code Enforcement/City Manager's Office)

- (b)
 - (1) Acceptance of the draft Santa Clara Valley Habitat Conservation Plan/Natural Community Conservation Plan (HCP/NCCP) work program.
 - (2) Acceptance of the Santa Clara Valley Habitat Conservation Plan budget and cost share principles, identified source of funds and approval of allocation of funds for FY 05-06.
 - (3) Approval of the Coyote Housing Grant (CHG) Donation Agreement.
 - (4) Adoption of the following appropriation ordinance and funding source resolution amendments in the General Fund as follows:
 - (a) Increase the Citywide appropriation for the Coyote Valley Specific Plan by \$400,000 for the City's participation in the Santa Clara Valley HCP/NCCP.
 - (b) Increase earned revenue from Other Revenue by \$400,000

CEQA: Not a Project. (Planning, Building and Code Enforcement/City Manager's Office)

(Rules-in-Lieu referral 5/18/05)

Deferred to 6/7/05.

5 RECREATION & CULTURAL SERVICES

5.1 Report of the All Children Achieve Committee – May 12, 2005

Council Member Yeager, Chair

- (a) Library Department Annual Update
The Committee accepted the report.
- (b) Report on Youth Services Priorities
The Committee accepted the report.
- (c) Schools/City Collaborative Joint Use Agreements – Discussion on how we can work better with schools
The Committee accepted the report.
- (d) Update on San José's High School Initiative
Deferred to August 11, 2005.
- (e) Oral Petitions
None.
- (f) Adjournment
The meeting was adjourned at 2:45 p.m.

The All Children Achieve Committee report and actions of May 12, 2005 were accepted.

6 TRANSPORTATION SERVICES

6.1 Report of the Building Better Transportation Committee

Council Member Campos, Chair

No Report.

6 TRANSPORTATION SERVICES

6.2 Approval of actions related to ground transportation taxi services.

Recommendation:

- (a) Approval of an ordinance to temporarily limit until April 30, 2006, both:
 - (1) The total number of taxicabs all taxicab company licensees are authorized to operate under their licenses pursuant to Part 4 of Chapter 6.64 of the San José Municipal Code to an outstanding number of 572; and
 - (2) The total number of taxicab driver permits issued pursuant to Part 4 of Chapter 6.64 of the San José Municipal Code to an outstanding number of 571.
- CEQA: Not a Project. (Transportation)
- (b) Adoption of the revised Taxicab Rate Resolution, repealing Resolution No. 71336, which will allow taxicab companies to offer:
 - (1) Discount coupons of up to 20% off their standard fares for trips not originating at the Airport; and
 - (2) Flat rates below the standard fare for all business account trips and to the general public for trips that conclude outside of Santa Clara County not originating at the Airport unless pre-arranged.

CEQA: Not a Project. (Transportation)

Deferred to 8/23/05.

- (c) Adoption of resolutions to:
 - (1) (a) Authorize the City Manager to negotiate and execute an agreement with Taxi San José Inc. for on-demand ground transportation dispatching services at the Norman Y. Mineta San José International Airport for the period August 1, 2005 to July 31, 2007 with five one-year options to extend the term at the City's sole discretion for a total of up to seven years, in an amount not to exceed \$1,800,000 for the initial two-year term.
 - (b) In the event that the parties have not completed negotiations and executed an agreement within 30 days of the date of the resolution authorizing the negotiation and execution, authorizing the City Manager to terminate negotiations with Taxi San José, Inc. and commence to negotiate and execute an agreement with ShuttlePort California LLC for on-demand ground transportation dispatching services at the Norman Y. Mineta San José International Airport for the period August 1, 2005 to July 31, 2007 with five one-year options to extend the term at the City's sole discretion for a total of up to seven years, in an amount not to exceed \$2,250,000 for the initial two-year term
 - (2) To establish fees for on-demand ground transportation dispatch services to be charged to ground transportation providers at the Norman Y. Mineta San José International Airport.

CEQA: Resolution Nos. 67380 and 71451, PP 05-083. (Airport/Transportation)

(Deferred from 5/17/05 – Item 6.2)

6 TRANSPORTATION SERVICES

6.2(c) Approval of actions related to ground transportation taxi services (Cont'd.)

Resolution No. 72686 adopted.

Resolution No. 72687 adopted.

Staff directed to return to Council by the June 28, 2005 Council Meeting with a status update of negotiations between the City and Taxi San José and to address concerns brought forth by Council, as follows: clarify with Taxi San José and Bauer's Limousine the large volume of dispatching services required in the contract and to ensure all concerns are met prior to final execution of the agreement; and directed Staff to negotiate the final contract with a deadline of the end of the Fiscal Year, as opposed to a 30-day deadline.

7 ENVIRONMENTAL & UTILITY SERVICES

8 AVIATION SERVICES

8.1 Approval to extend the agreement with the VTA for bus services linking the Airport to other transit services.

Recommendation: Approval to exercise an option to extend the term of the agreement with the Santa Clara County Valley Transportation Authority for bus services linking the Norman Y. Mineta San José International Airport with the Metro Light Rail, Santa Clara Transit, and Cal Train Stations for a two-year period from July 1, 2005 to June 30, 2007, in an amount not to exceed 1,500,000 for the first year of the option term, and, subject to appropriation of funds by the City, in an amount not to exceed \$1,605,000 for the second year of the option term. CEQA: Resolution Nos. 67380 and 71451, PP 05-092.
(Airport/Transportation)

Approved.

9 PUBLIC SAFETY SERVICES

9.1 Approval to award a contract for emergency generators for Fire Stations 4, 13 and 26.

Recommendation: Report on bids and award of contract for the Emergency Generators Project for Fire Stations 4, 13 and 26 to the low bidder, Mitchell Engineering, in the amount of \$591,710, and approval of a contingency in the amount of \$74,000. CEQA: Exempt, File Nos. PP05-033, PP05-034 and PP05-035. Council Districts 6, 7 and 9.
(Public Works/Fire)

Approved.

10 JOINT COUNCIL/REDEVELOPMENT AGENCY

The Redevelopment Agency Board convened at 3:18 p.m. to consider Item 10.1 in a Joint Session.

10.1 Approval of actions to submit a grant application.

Recommendation:

- (a) Adoption of resolutions by the City Council:
- (1) Authorizing the City Manager to submit an application for an Environmental Protection Agency grant in the amount of \$673,500 for infrastructure improvements necessary for the North San Pedro Housing Project;
 - (2) Authorizing the City Manager to accept the grant, if awarded;
 - (3) Authorizing the City Manager to execute any necessary grant documents; and
 - (4) Authorizing the City Manager to negotiate and execute a Cooperation Agreement with the Redevelopment Agency for the funding and construction of infrastructure improvements necessary for the North San Pedro Housing Project.

Resolution No. 72688 adopted.

- (b) Adoption of resolutions by the Redevelopment Agency Board:
- (1) Authorizing the Executive Director to negotiate and execute a Cooperation Agreement with the City for the funding of infrastructure improvements necessary for the North San Pedro Housing Project; and

Agency Resolution No. 5606 adopted.

- (2) Approving the additional funding of \$303,075 from capital reserves to FY 2004-2005 Adopted Capital Budget North San Pedro Housing/Brandenburg Project line in the Julian Stockton Redevelopment Area and amending the FY 2004-2005 Agency appropriations resolution, as detailed on Attachment A.

CEQA: GP03-03-01; North San Pedro EIR Resolution No. 72170, adopted June 15, 2004.Council District 3. (City Manager's Office/Redevelopment Agency)
(Orders of the Day)

Agency Resolution No. 5607 adopted.

The Redevelopment Agency Board portion of the meeting adjourned at 3:18 p.m.

- **Closed Session Report**
None.

- **Notice of City Engineer's Pending Decision on Final Maps**
In accordance with Sec. 19.16.140d of the San Jose Municipal Code, this is notice of the City Engineer's pending decision on the following Final Maps:

None.

In accordance with Sec. 19.16.140d of the San Jose Municipal Code, this is notice of the City Engineer's receipt of the following Final Maps for review:

None.

- **Open Forum—**
 - 1) **Mark Trout expressed personal commentary.**
 - 2) **Ross Signorino commented on politics in the State of California.**

- **Adjournment**
The Council of the City of San José was adjourned at 3:19 p.m. in memory of Enide Allison, long time auto dealership owner in San José and the Silicon Valley.

**JOINT CITY OF SAN JOSÉ
CITY COUNCIL/REDEVELOPMENT AGENCY/
FINANCING AUTHORITY
AGENDA**

3:19 P.M.

TUESDAY, MAY 24, 2005

CHAMBERS

- 1. Call to Order**
The Joint City Council/Redevelopment Agency/Financing Authority meeting was called to order at 3:19 p.m.

- 2. Approval of actions related to housing set-aside tax allocation bonds.**

Recommendation:

- (a) Adoption of a resolution of the Redevelopment Agency Board:
 - (1) Authorizing the issuance of the following series of Redevelopment Agency of the City of San José Merged Area Redevelopment Project housing set-aside tax allocation bonds:
 - (a) Housing Set-Aside Tax-Exempt Refunding Tax Allocation Bonds, Series 2005A in an amount not to exceed \$12,000,000 (the "2005A Bonds");
 - (b) Housing Set-Aside Taxable Refunding Tax Allocation Bonds, Series 2005B in an amount not to exceed \$125,000,000 (the "2005B Bonds");
 - (c) Subordinate Housing Set-Aside Tax Allocation Variable Rate Demand Bonds, Series 2005C (AMT) and 2005D (AMT) in an aggregate principal amount not to exceed \$75,315,000 (respectively, the "2005C and 2005D Bonds" and, collectively with the 2005A and 2005B Bonds, the "Bonds");
 - (2) Approving in substantially final form the Bonds, Seventh Supplemental Agreement, First Supplemental Agreement (Subordinate), one or more Bond Purchase Agreements, one or more Reimbursement Agreements, one or more Remarketing Agreements, one or more Escrow Agreements, a Continuing Disclosure Agreement, preliminary and final Official Statements relating to the 2005A and 2005B Bonds, final Official Statement relating to the 2005C and 2005D Bonds; authorizing certain Agency officials to execute and, as appropriate, negotiate these documents and other related documents as necessary; and
 - (3) Authorizing certain Agency officials to take all necessary actions in connection with the issuance of the Bonds.

Agency Resolution No. 5608 adopted.

**JOINT CITY OF SAN JOSÉ
CITY COUNCIL/REDEVELOPMENT AGENCY/
FINANCING AUTHORITY
AGENDA**

2. Approval of actions related to housing set-aside tax allocation bonds. (Cont'd.)

Recommendation:

- (b) Adoption of a resolution of the City Council:
 - (1) Approving the issuance of the Bonds by the Redevelopment Agency; approving the execution and delivery of one or more Tax Regulatory Agreements; and making a finding pursuant to Redevelopment Law that the Merged Area will benefit from the projects funded by the Bonds that are located outside of the Merged Area;
 - (2) Authorizing certain City officials to take all necessary actions in connection with issuance of the Bonds;
 - (3) Authorizing the City Attorney to negotiate and execute an amendment to the agreement with Nixon Peabody LLC, increasing compensation by \$50,000 for a total amount not to exceed \$173,000 for Bond Counsel and Disclosure Counsel fees.

Resolution No. 72689 adopted.

- (c) Adoption of a resolution of the Authority Board:
 - (1) Approving the purchase of the 2005A and 2005B Bonds from the Agency for concurrent resale to the underwriters of such Bonds; approving the purchase of the 2005C and 2005D Bonds from the Agency for concurrent resale to the underwriters of such Bonds; approving the execution of one or more Bond Purchase Agreements with respect to the Bonds; and approving the distribution of preliminary and final Official Statement relating to the 2005A and 2005B Bonds and the final Official Statement relating to the 2005C and 2005D Bonds;
 - (2) Authorizing certain City and Agency officials on behalf of the Authority to take all necessary actions in connection with the issuance of the Bonds.

CEQA: Not a Project. (City Manager's Office/Redevelopment Agency)

San José Financing Authority Resolution No. 70 adopted.

3. The Joint San José Council/Redevelopment Agency/Financing Authority meeting adjourned at 3:19 p.m.

JOINT COUNCIL/REDEVELOPMENT AGENCY BOARD MEETING

The Joint Council/Redevelopment Agency Board meeting convened at 3:20 p.m.

8.1 Public Hearing and approval of the fourth amendment to the Amended and Restated DDA with The Montgomery Hotel Group, LLC, for development of the Montgomery Hotel, to restructure certain financial provisions of the DDA.

Recommendations:

- (a) Adoption of a resolution by the City Council accepting the summary of costs and findings of the Amended Summary 33433 Report and the Estimated Reuse Valuation pursuant to the California Health and Safety Code Section 33433 for the development of the Montgomery Hotel with Montgomery Hotel Group, LLC; and,
Resolution No. 72690 adopted.
- (b) Adoption of a resolution by the Redevelopment Agency Board approving the Fourth Amendment to the Amended and Restated Disposition and Development Agreement (DDA) with Montgomery Hotel Group to restructure the Agency's revenue participation, eliminate the Agency's share of Historic Tax Credit Payments, provide for the conversion of the Agency's Cash Contribution to a loan for Developer repayment of up to \$10,612,962 and amend the Declaration of Covenants, Conditions, and Restrictions in conformance with the amendment; and authorizing the Executive Director to execute ancillary documentation necessary to implement the terms of the Fourth Amendment.
CEQA: Resolution No. 68839, File No. RCP03-032 [SAN ANTONIO PLAZA]
Agency Resolution No. 5614 adopted.

The Joint Council/Redevelopment Agency Board meeting adjourned at 3:22 p.m.